

**May 9<sup>th</sup>, 2016**

Today, May 9 2016, we have been communicated that KMG International NV ("KMGI"), Oilfield Exploration Business Solutions and Rompetrol Rafinare, were summoned as civil liability parties in a case currently being under investigation with DIICOT.

These are new developments which may have significant negative impact on KMG's strategic objectives and development plans in Romania.

Wishing to provide correct information to the public following the press release issued by the General Headquarter of D.I.I.C.O.T., we would like to provide a few clarifying elements.

**KMG acquired 75% of The Rompetrol Group NV in 2007. Rompetrol Rafinare's privatization took place in 2000, the agreement on the historic debt conversion into bonds being signed in 2003.**

**Neither KMG nor KMGI have been officially informed of any investigations such as those mentioned in the D.I.I.C.O.T. press release today (referring to 1998-2003 activities) at the time of the Rompetrol Group NV shares acquisition (in 2007).**

KMGI will use all legal mechanisms, both locally and internationally, to protect their investments made since the acquisition.

KMGI is confident that, in collaboration with the Romanian authorities, the investigation will be resolved promptly and managed correctly in terms of communication, so that the company's operations and reputation are not affected.

KMGI is open to cooperate with the Romanian government and authorities in these matters.

At the same time, we want to inform both the public opinion and our corporate partners that the operations of Petromidia refinery and Rompetrol filling stations are not affected.

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KMG International is one of the most important economic players in Romania, meeting to date its commitment to contribute to the development of Romania

as an energy hub in the Black Sea region. Thus, KMG International has made investments worth about \$ 4 billion since 2007 in the local market, in operations performed by more than 5,000 employees in Romania. During 2007-2014, the Group contributed more than \$ 12 billion to the Romanian state budget.

KMG International committed to the Romania state to develop a joint Romanian-Kazakh investment fund, with a capital contribution of 150 million dollars and pursuing total assets of up to \$ 1 billion, depending on market conditions. KMG International expects the Romanian Government to take some administrative steps required for setting up the fund's project entity, while projects worth over \$ 300 million have already been identified and are ready to be transferred to the Fund and to be developed in Romania, set to generate a strong positive impact both economically and socially.

## **Department of Communication and Public Relations**

### **KMG International**